

## ENVIRONMENTAL TECHNOLOGIES TRADE ADVISORY COMMITTEE JUSTIFICATION FOR RENEWAL

- 1. Accomplishments during charter period.** The Environmental Technologies Trade Advisory Committee (ETTAC) has met ten times following its charter renewal in August 2014 and the appointment of its members in January 2015. During this charter, the ETTAC has drafted official recommendations to the Secretary of Commerce to guide the priorities and workings of the Environmental Trade Working Group of Trade Promotion Coordinating Committee (TPCC). In summary, these recommendations are as follows:

**Recommendation 1:**  
*Trade Liberalization*

The ETTAC recommends that the U.S. Government facilitate a series of workshops under the U.S. – Brazil Commercial Dialogue to address environmental issues and ways to overcome trade barriers that limit access of U.S. environmental technologies to the Brazil market to the detriment of the Brazil environment as well as the health and well-being of Brazilian citizens. The workshops should focus on three key areas, specifically: (1) air quality technologies; (2) solid waste management technologies; and (3) drinking water, industrial water, and wastewater technologies.

**Recommendation 2:**  
*Trade Liberalization*

The ETTAC recommends that the survey questions and initial results developed by the 2014 -2016 ETTAC charter in the process of investigating the negative effect created by various trade barriers that may not be easily identified during a typical export evaluation process be reviewed by the ETWG and provided to members of the next ETTAC charter to consider for further investigation. In particular the ETWG and proximate ETTAC charter should consider trade barriers posed by locally obtainable but not equivalent products in export markets.

**Recommendation 3:**  
*Trade Liberalization*

The ETTAC recommends that the survey questions and initial results developed by the 2014 -2016 ETTAC charter in the process of investigating the negative effect created by various trade barriers that may not be easily identified during a typical export evaluation process be reviewed by the ETWG and provided to members of the next ETTAC charter to consider for further investigation. In particular the ETWG and proximate ETTAC charter should consider trade barriers posed by additional tariffs and taxes required as products are transshipped.

**Recommendation 4:**  
*Trade Liberalization*

The ETTAC recommends that the survey questions and initial results developed by the 2014 -2016 ETTAC charter in the process of investigating the negative effect created by various trade barriers that may not be easily identified during a typical export evaluation process be reviewed by the ETWG and provided to members of the next ETTAC Charter to consider for further investigation. In particular the ETWG and proximate ETTAC charter should consider the competitiveness challenge created by U.S. law limitations and restrictions versus non U.S. trade practices.

**Recommendation 5:**  
*Trade Promotion*

The ETTAC recommends that the Departments of Commerce and State collaborate to develop a series of Direct Line meetings focused on environmental technologies (e.g. water, air, and waste management) in the industry's priority markets, which include China, India, and Brazil.

**Recommendation 6:**  
*Trade Promotion*

The ETTAC recommends that the Salesforce effort receive adequate funding not only for additional short-term development but also for beta testing and full-scale implementation. We note that prior plans to provide the Commercial Service with enhanced digital tools have been disrupted by a lack of sustained funding.

**Recommendation 7:**  
*Trade Promotion*

The ETTAC recommends that the Salesforce project team accelerate plans to create a specific portal for private sector exporters to extract actionable information from the Salesforce application. Such a tool can substantially improve the dissemination of trade opportunities and the eventual export of more environmental goods and services.

**Recommendation 8:**  
*Trade Promotion*

ETTAC recommends that ITA consider qualitative metrics in their performance indicators to measure specific export promotion activities including: interaction based assessments – value of relationship building; return on objective – trade promotion program leads, traffic, data quality, etc.; meeting value – decision maker introductions (C-Suite, Procurement, etc.); navigating and valuing the “layers” in a sales process (introductions, status reporting, and closure); supply chain enhancement – introduction to qualified service providers, contractors and vendors; cultural support – business etiquette, protocols and customs.

**Recommendation 9:**  
*Trade Promotion*

ETTAC recommends establishing a Salesforce focus group utilizing ETTAC members to review progress, conduct future beta-testing of the Salesforce platform and provide recommendations. Providing formal acknowledgment of the focus group gives ITA access to decades of Salesforce proficiency, sales funnel/cycle expertise, and the experience to develop metrics based upon industry specific needs.

**Recommendation 10:**  
*Standards, Regulations, and Certification*

ETTAC supports the “Memorandum of Intent between the Department of Commerce of the United States of America and the Ministry of Development, Industry and Foreign Trade of the Federative Republic of Brazil concerning Standards and Conformity Assessment”. Specific areas of support include: work related to the WTO TBT Agreement; openness and transparency in standards setting; approaches that allow products to be tested and certified in the country of export and that utilize accreditation procedures that take into account and encourage multilateral agreements that share evaluation criteria and the results of an accreditation so as to avoid duplication of the work; sectoral initiatives to advance cooperation in standards, certification, and trade; and, sharing of Technical Barriers to Trade notifications amongst parties.

**Recommendation 11:**  
*Standards, Regulations, and Certification*

The ETTAC recommends that with regard to TTIP negotiations, regulators should choose from a broad portfolio of international standards developed according to the principles established by the WTO Technical Barriers to Trade (TBT) Agreement and Committee Decision.

**Recommendation 12:**  
*Standards, Regulations, and Certification*

The ETTAC recommends that with regard to TTIP negotiations, standards used in regulations must be developed under a process that is open to participation from both sides of the Atlantic and transparent in determining outcomes.

- Recommendation 13:**  
*Standards, Regulations, and Certification*
- The ETTAC recommends that with regard to TTIP negotiations, equivalent standards from non-European standards bodies should qualify for the presumption of conformity with Essential Technical Requirements of European Directives.
- Recommendation 14:**  
*Standards, Regulations, and Certification*
- The ETTAC recommends that with regard to TTIP negotiations, standards and regulatory requirements should be grounded in the principles of science, risk assessment, and, to the extent practical, be performance-based and technology neutral.
- Recommendation 15:**  
*Standards, Regulations, and Certification*
- The ETTAC recommends that with regard to TTIP negotiations, both governments should share regulatory data for the purposes of meeting similar substance disclosure and testing requirements.
- Recommendation 16:**  
*Standards, Regulations, and Certification*
- With respect to the Trans-Pacific Trade and Investment Partnership (TTIP) negotiations, costs associated with testing, certification, and accreditation need to be streamlined.
- Recommendation 17:**  
*Standards, Regulations, and Certification*
- ETTAC commends the establishment of a Committee on Technical Barriers to Trade under Article 8.11 of TPP because it encourages cooperation amongst the partners in the development and review of technical regulations, establishment of future priorities for regulations and standards, sharing of technical performance data for product evaluations, and in identifying of technical capacity needs of the region. The ETTAC recommends that these important provisions be included in all future U.S. trade agreements.
- Recommendation 18:**  
*Professional Services*
- The ETTAC recommends that a clear, internal Department of Commerce Definition of Environmental Services be established to allow more effective promotion and better tracking and economic analysis of this key market sector. The ETTAC proposes the following definition: concept development/proof of concept, resource surveys, and environmental and social impact assessments; preliminary/detailed engineering design, sustainable design, climate change adaption/resiliency, and permitting; construction/construction management and environmental compliance monitoring; facilities commissioning, startup, operation and management and environmental compliance monitoring, auditing, and closure/decommissioning; facilities and equipment maintenance and repair and testing and analysis for all environmental media (e.g., water, air, soil), emissions, and waste.
- Recommendation 19:**  
*Professional Services*
- U.S. companies working internationally often must form a contractual relationship with a local individual or company that is not subject to the provisions of Foreign Corrupt Practices Act of 1977 (FCPA), thereby opening the U.S. companies to additional potential liability under the FCPA. The ETTAC recommends that the Department of Commerce continue to advocate through bilateral relationships and encourage our partners to embrace anti-corruption laws and practices.
- Recommendation 20:**  
*Professional Services*
- U.S. companies working internationally often must form a contractual relationship with a local individual or company that is not subject to the

provisions of Foreign Corrupt Practices Act of 1977 (FCPA), thereby opening the U.S. companies to additional potential liability under the FCPA. The ETTAC recommends that the Department of Commerce provide U.S. companies with resources to compete internationally and simultaneously comply with FCPA.

**Recommendation 21:**  
*Professional Services*

The ETTAC has prepared the *Best Practices Guide for Public Private Partnerships (PPPs) involving US Based Companies* and we recommend that the Guide be provided to all U.S. Trade Negotiators, Trade Specialists, and Commercial Officers.

**Recommendation 22:**  
*Professional Services*

The ETTAC has prepared the *Best Practices Guide for Public Private Partnerships (PPPs) involving US Based Companies* and we recommend that U.S. trade personnel demonstrate a full understanding of the PPP process so that they can represent U.S. firms most effectively.

**Recommendation 23:**  
*Professional Services*

To assist the Department in understanding how development assistance entities restrain U.S. firms' participation, the Environmental Technologies and Trade Advisory Committee (ETTAC) has prepared a reference guide entitled *Procurement Policy Assessment for U.S. and Non-U.S. Donors, Lending Agencies and Multilateral Banks* which compares the procurement policies of various donors and provides insights and recommendations that may be useful for U.S. trade personnel. ETTAC recommends trade personnel utilize and maintain this document in their efforts to promote trade policy and U.S. participation in tenders abroad.

2. **Need for Renewal.** The establishment of the ETTAC is a statutory requirement pursuant to Section 2313(c) of the Export Enhancement Act of 1988, as amended, 15 U.S.C. § 4728(c). Independent of statutory requirement, renewal of the ETTAC is essential, particularly to advance National Export Initiative goals and to ensure the effectiveness of the Environmental Trade Working Group of the Trade Promotion Coordinating Committee. Industry recommendations are critical to forging effective, strategic, and coordinated U.S. government activities supporting the continued growth of the \$320 billion U.S. environmental goods industry. Foreign markets represent approximately 70% of global demand for environmental goods and services, worth over \$1 trillion. This overseas demand is growing steadily, particularly in large developing countries that are beginning to seriously address climate change and environmental concerns related to industrialization, urbanization, and climate adaptation.

The U.S. Government has a continuing need for the advice of U.S. environmental technologies companies in order to develop effective programs to foster environmental exports to growing foreign markets.

3. **Balanced Membership.** The ETTAC will consist of approximately 40 members selected to reflect the diversity of this sector, including in terms of company size, geographic location, and industry segment and shall be drawn from U.S. environmental technologies

manufacturing and services companies, U.S. trade associations, and U.S. private sector organizations involved in the promotion of exports of environmental technologies products and services.

- 4. Other Factors.** The functions of the ETTAC cannot be performed by the Department, an existing advisory committee, or any other federal agency. Information and recommendations on environmental technologies exports provided by the ETTAC represent the unique views of knowledgeable and experienced representatives of the industry. These viewpoints are not available within the Department itself or from other advisory committees.
- 5. Completion of Functions.** The work of the ETTAC is of an ongoing nature.